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FISCAL IMPACT REPORT

SPONSOR Heaton DATE TYPED 2/7/05 HB 607

SHORT TITLE New Mexico Mainstreet Program SB _____

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0		Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Economic Development Department (EDD)
 Tourism Department (TD)

No Responses Received From
 Governor's Office
 Association of Counties

SUMMARY

Synopsis of Bill

House Bill 607 appropriates \$500.0 from the general fund to EDD for expenditure in FY06 to pay for operating expenses of the Mainstreet program.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

EDD's FY06 operating budget request includes \$325,000 for operating expenses of the Mainstreet program in FY06.

ADMINISTRATIVE IMPLICATIONS

EDD reports additional funds for the Mainstreet program could create requirements for additional staff to administer on-going program activity and contractors.

OTHER SUBSTANTIVE ISSUES

EDD indicates the McCune Foundation has offered to match 50 cents of each dollar added to the base budget of the Mainstreet program up to a maximum match of \$100.0.

ALTERNATIVES

EDD suggests "Stick with the base budget proposed by the Department."

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

According to EDD, the Mainstreet program may not be able to admit new "satellite" or "start-up" communities.

JR/njw